

MONTREAL SOUTH SHORE FREE PORT

BY

HENRY DALBY

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**As presented to Parliament by
J. H. RAINVILLE, M.P.**

Deputy Speaker of the House of Commons

INTRODUCTION

The Government, Parliament, and people of Canada have so many things of vast importance urgently claiming their attention just now, that I would hesitate to bring up a question of such dimensions as that of a Free Port for Canada now, were it not that I regard it largely as a war measure.

No well-informed man believes for one moment that when peace is proclaimed, the world will at once resume the *statu quo ante bellum*. The great problems for the British Empire are to make the recurrence of war impossible, to conserve its maritime and commercial supremacy. The situation is complicated by the diversity of fiscal policies within the Empire and especially by the difficulties in the way of reconciling Great Britain's traditional devotion to Free Trade which has undoubtedly been the chief factor in creating her unrivaled mercantile marine; with anything substantial in the way of tariff reform upon Protectionist lines.

I believe that the best solution of the problem will be found in the adoption of a system of Free Ports, which would make it possible to get all the advantages of Protection for our own manufacturing industries, while leaving the great business of maritime transportation absolutely free and untrammelled by customs regulations and impositions.

The great self-governing colonies and most of the crown colonies would

be less than British if they did not cherish their autonomy. But the spirit of mutual concession between the various parts of the Empire, which has been strikingly manifested in recent years, is stronger than ever today. Nevertheless each separate part of the Empire must work out a

question like the Free Port project with due consideration for its own interests as well as a proper regard for the well-being of the whole Empire; and—not forgetting its devoted Allies.

I have been much encouraged by the cordiality with which the idea of the South Shore Free Port has been received by all who have taken the little trouble necessary to understand the subject. My chief difficulty has arisen from the fact, that "so many people know so many things that are not so."

I have yet to meet a man who is not under the delusion that he knows all about Free Ports, and not ten in

a thousand have the faintest idea what a Free Port really is. They nearly all assume that a Free Port is a port that is free from shipping dues. Naturally they want to know, why one port should be favored more than another in this matter and how the Government is going to recoup itself for the loss of revenue by non-payment of shipping dues. Of course

shipping pays just as high dues in a Free Port as in any other port; and

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the South Shore Free Port would augment instead of decreasing the Government revenues.

A Free Port is really a port that is free from customs duties; and the following articles will show how this works to the advantage of the whole country without any loss of customs revenue to the government and without any conceivable injury to any established interest or to any locality.

One word more. Frankly, I have met with less difficulty than I anticipated from local prejudice. Neither

sure. on the South Shore, in Montreal, or

in any other place in Canada should this be regarded as a local question.

It is really a national question. The

South Shore, opposite Montreal, is indicated by nature as the best site in Canada for a Free Port, and that for a number of reasons which I have set forth herein at considerable length but as briefly as possible. I feel that the subject merits the careful consideration of Parliament without any avoidable delay because it is for the present at least a War Measure.

HENRY DALBY.

The C.P.R. and the Free Port Question

Lord Shaughnessy and Mr. Bosworth Support the Idea

Lord Shaughnessy and Mr. Bosworth, Vice-President of the Canadian Pacific Railway in charge of the Traffic and Ocean Steamships, both cordially approve of the principle of Free Ports for Canada. Their idea is that the Dominion should have no less than three free ports, one at Quebec, one at St. John, N.B., and one at Vancouver.

Four strong points they make in favor of Quebec are that it already has

deep water docks; that it has at

least ten days longer season of navigation; that the marine insurance rates are lower than to Montreal; and that all the principal railways of the Dominion centre there.

I have repeatedly maintained that Canada is big enough to find use for several Free Ports. Their best location is, of course, a matter for investigation by the proposed Royal Commission.

H. D.

The South Shore a Free Port

Why should we not have a free port the free port, into unfree Germany here? We need it; Canada needs it; or some other protected country, the whole continent of North America needs it. And we do not seem to have a single member of Parliament who has the faintest conception of what a free port means.

An honorable member for one of the divisions of Montreal, whenever an election comes round, declares himself enthusiastically in favor of a free port. But the poor man hasn't the slightest idea of what a "free port" really means. He seems to have a notion that if all shipping dues payable in Montreal were abolished Montreal would become a free port. It would not! Shipping dues and free port are entirely separate questions. Hamburg, the greatest free port in the world, has become great because of its freedom—but not from shipping dues. What has made Hamburg great is its freedom from customs duties. Its shipping dues are rather high, but customs duties are non-existent there. It enjoys the same kind of freedom as London and Liverpool, and every port little or big in the United Kingdom. It is part of highly protected Germany, but still has absolute free trade with all the outside world. The ships come in (when there is no blockade) and land their cargoes without interference from custom house officers. There freights may be stored, assembled, broken up, re-packed, and distributed, and there is not a cent of duty to pay until the goods cross the frontier of

Ships can be repaired or refitted in Hamburg without paying tribute to Caesar.

What would it mean to Canada to have a port like this on the St. Lawrence, a place to which European manufacturers could ship their goods without having to pay customs duties until they were wanted for consumption in Canada or the United States?

The South Shore from St. Lambert to Longueuil would be an ideal spot for a free port. It would be easy for the Custom House to prevent the smuggling of goods out of the free port into the protected area. Within a few years there would be a city on the South Shore which would make Montreal look small by comparison. The South Shore Free Port would be a bit of Europe grafted on Canada, just as Hamburg is like a bit of England grafted on Germany; and buyers from the Pacific Coast to the Atlantic, on both sides of the border, would come here to buy the goods for which they now have to cross the ocean. Even in winter goods could be shipped through in bond to the free port. British porters would find it immensely to their interest to ship huge consignments to the South Shore Free Port. We have a convincing object lesson in the fact that so many Canadian importers buy materials from the United States which they could get to

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ply because they can obtain quicker. Of course there would have to be delivery of the goods. With the some deep water dredging, but that South Shore a free port we would get has to come in any case. Indeed, the the bulk of the trade of the whole dredging on this side of St. Helen's continent, in tobacco from Cuba, su- Island is already well advanced. It gar and fruits from the British West would be worth all it would cost to Indies, wines, lace, gloves and dress have a New Hamburg on the St. Law- goods from France, and all kinds of rence and now is the time to get it, manufactures and products from Eng- when the old Hamburg has been land. We commend the idea to Mr. ruined by the criminal folly of the Rainville, who is not afraid of a new German Government. idea.

The Free Port Question

THE EXPERIENCE OF HAMBURG.—FREE PORT QUESTION BROUGHT UP IN THE U. S. HOUSE OF REPRESENTATIVES.—MARSEILLES TO BE A FREE PORT IN DIRECT COMPETITION WITH HAMBURG.

(From the "South Shore Press,"
Friday, May 26, 1916)

On April 28th, the South Shore Press published an editorial article urging the establishment of a Free Port on the South Shore of the St. Lawrence, opposite Montreal, extending from St. Lambert down to Longueuil. The article has aroused considerable interest on both sides of the river, and has evoked much comment favorable to the proposition.

Of course, the launching of a new idea of this kind is not unattended with difficulties, and the first difficulty to overcome is the task of disabusing the public mind of the very general misconception as to what a Free Port really is. That the public mind should be obsessed by a wrong idea upon the subject is not surprising; because, in the first place, we have not a single Free Port on this continent; and in the second place, our public men, who ought to know better, have in their invincible ignorance, assiduously cultivated an erroneous idea upon the subject.

To people in Europe and of course including Great Britain, there is nothing strange about the idea of a Free Port. In the United Kingdom, all the ports are practically free ports: Fl-

Marseilles, Dunkirk, Bremen, Hamburg, Lubeck, Brake, Cuxhaven, Em- den, Geestemunde, Neufahrwasser, Stettin, Ancona, Leghorn, Messina, Senegalia, Genoa, in Italy; Braila, Galatz, Kustengi and Sulina in Roumania; Archangel and Kola in Russia; a number of the French and English West Indies, Malacca, Penang, and Singapore, Hong-Kong, Weihai-wei, Aden, Gibraltar, St. Helena, and St. Thomas, Macao and Livingston in Guatemala, have all had their free ports. Many of them still remain free; others, through wars, annexations, local rivalries and political considerations, have lost their freedom.

The people of any of these towns would be amused to hear a Canadian politician's definition of a Free Port as a port free from shipping dues, harbor dues or dock charges.

A Free Port is a port that is free from Customs duties.

The greatest Free Port in the world, in a protected country, is Hamburg, the third greatest port in the world, being excelled only by London and Liverpool, which, of course, are equally free from customs duties. But any man who is under the delusion that because Hamburg is a Free Port it is free from shipping dues, or dock charges, let him try to run a cargo

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into Hamburg, and he will not take long to find his mistake out. The following are the

Hamburg Port Charges

Harbor Masters fee of \$1.25 on each ship drawing not more than six and a half feet each time the ship enters the port, and \$1.25 extra for each additional three feet.

There are certain special exemptions from the above charges, as in the case of yachts and pleasure boats or ships.

A tonnage due of 8 cents per register ton. (This rate is again subject to certain variations in certain cases.)

A charge for the use of the wharves of 12 cents per registered ton.

A charge of 25 cents per ton levied against the goods loaded or unloaded on the wharves, seven-tenths of which the ship pays, and three-tenths paid by the cargo; the whole, however, is paid by the shipowner, who collects the three-tenths from the merchant.

The pilotage dues are as follows, and are charged according to the draft of vessels, viz:—

Table of Pilot Dues

Ft. in.	\$ c.	\$ c.
2 3 $\frac{1}{2}$	6 10	8 55
6 9 $\frac{3}{4}$	8 55	11 05
9 10	11 05	15 90
13 1	17 15	24 50
16 4 $\frac{1}{2}$	28 20	38 00
19 8 $\frac{1}{4}$	44 15	58 80
22 11 $\frac{5}{8}$	60 00	80 85
26 3	70 00	96 50
29 6 $\frac{1}{2}$	78 40	107 50

The following discounts are allowed:—

	Per cent.
For vessels going only as far as Cuxhaven	25
If vessels take a pilot not before Cuxhaven	75
If vessels come in empty or in ballast	50
If vessels clear out to sea from Cuxhaven	50
After twelfth voyage in a calendar year of same vessel made with a Cuxhaven government pilot	10
After twenty-fourth voyage under above-mentioned conditions	20
After thirty-sixth voyage under above-mentioned conditions	30
Extra fee if pilot takes the vessel to an Elbe Port farther than Gluckstadt	50

In case the river is full of drift ice the pilot is entitled to charge double the above-stated dues.

The pilot dues from Basch Station to the Hamburg port is about 90 cents per foot draft of vessel.

The Harbor pilot due is \$2.40 per vessel.

There are no dues levied direct against the goods and there is no intention on the part of the Harbor Authorities to change the method of raising revenue.

When the sheds are leased to different people temporarily, the charge is 4 $\frac{1}{2}$ cents per cubic foot for the first five days and $\frac{3}{4}$ cent per cubic foot for every day thereafter.

These various dues may not be excessive in view of the natural conditions prevailing in the Elbe, but they certainly do not go to confirm the idea that a Free Port is one that is free from port dues. The enormous

and rapid growth of Hamburg in employing home-made material and spite of these charges does go to show home labor without the exercise of the importance of the local freedom from custom duties.

The Stephens Report

In 1908, Mr. George Washington Stephens, President of the Montreal Board, and Mr. Frederick W. Cowie, B.A., Sc., M. Inst., C.C., chief engineer of the St. Lawrence Ship Canal, made a report upon the principal ports of the world after having made a tour of inspection of these ports to study the conditions prevailing. It was an exhaustive and admirable report and from it most of the figures we are quoting were taken.

The Free Port

is thus described in this report:—

"By far the most important feature however, in the Port's development consists in its free Custom Harbor or bonded warehouse district. This free harbor is cut off from the rest of the water area by floating palisades in the river itself and the customs canal on the city side. Into this harbor vessels come and go, discharge their cargo in part or whole into the warehouses with which it is provided. These goods may be re-manufactured and re-shipped out again to foreign countries, without the application of a Customs tariff, or may remain in store until wanted within the German Empire, and upon which the duty is only paid when delivery out of the Customs district is made. In the case of re-shipment inland by canal or river barge, this Customs duty is paid at the point of destination. Ships may be extensively repaired with this free district, orders may be delivered at any time

The Ross Report

In 1914, Mr. W. G. Ross, President of the Harbor Board also made a report on this subject. In this he says: "A very strong feature in the administration of Hamburg is that of the Free Harbor which consists of an area covering about seven-eights of the harbor area of the city; but is treated as a separate country in the matter of tariff. Goods coming into it or going out of it pay no customs duty. The area is cut off from the rest of the city by high walls or barriers, every entrance being guarded. Goods pass into Germany through the hands of Customs officials and the customs laws of Germany apply. Goods from this area go out by sea to all the earth unhindered, so the raw materials come in free to factories maintained within the walls and the finished product goes out by sea unhampered by tariff imposition. Goods may be stored in the warehouses any length of time, and re-shipped without the payment of duty. If shipped to any port in Germany the duty is paid only at the time of delivery from the free harbor. The privilege of storing whole cargoes duty free, from which small

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to suit the customer has been of in- Harbor of Hamburg has room for estimable advantage to the merchants 500 sea-going vessels and consists of of Hamburg. In the free harbor ships a series of tidal basins, which, to- may be repaired, using duty-free ma- ghter with the remaining area of terial and home labor. As a conse- water in the harbor available for sequence, Hamburg has the greatest ad- going vessels, cover a superficial area vantage of all the ports of Europe in of 330 acres more or a total of 1,308 the trans-shipment business. acres. In addition the use of water

"Because of these great advantages berths or dolphins double the berth an extensive warehouse business is accommodation of the port. One of done in the free harbor. Large fac- the special features of the scheme of tories are also there established, and development of Hamburg is the exis- the largest shipbuilding plants in tence of an auxiliary port, Cuxha- Germany are within its limits."

Hamburg, which has the largest tonnage of any port on the continent of Europe (excluding therefore the British ports), is 65 miles from the sea up the River Elbe. The city is the farthest inland ocean navigation point of the river. Meeting the ocean traffic is a canal and river system of water distribution. Main lines of railway running through the German Empire, also converge at Hamburg. In 1888 a well-defined scheme of harbor extensions was entered upon; 2,500 acres of acquired property were used for the provision of adequate water and pier areas, equipped with transit sheds, cranes and warehouses. Up to 1914 about \$115,000,000 had been expended on the port. Develop- ment was still in progress, a sum of \$11,350,000 having been appropriated by the Senate in 1914 for the construc- tion of several sea and river basins at Ross-Neuhoff and Waltershof, which on completion, it is expected, will supply all the demands of modern navigation. The fact that the River Elbe is tidal and of sandy nature, with varying channel depths, makes continuous dredging compulsory. The

Montreal's Advantages as a Free Port.

Montreal has enormous advantages over Hamburg as a site for a Free Port, although it has spent less money on harbor development than any of the big ports of the world. The ex- penditures of the fourteen chief ports have been as follows:—

London	.....	\$200,000,000
Liverpool	.....	155,000,000
Hamburg	.....	115,000,000
Manchester	.....	100,000,000
Newcastle	.....	90,000,000
Antwerp	.....	60,000,000
Glasgow	.....	50,000,000
Rotterdam	.....	50,000,000
Bristol	.....	40,000,000
Marseilles	.....	40,000,000
Havre	.....	30,000,000
Southampton	.....	30,000,000
Genoa	.....	25,000,000
Montreal	.....	25,000,000

The fourteen ports have spent over a billion dollars on providing facilities. Montreal has the great advantage over Hamburg of being farther from the sea than any port in the world available for ocean navigation, 960 miles. It also has the advantage of being at the foot of an inland navigation system extending more than half across the continent and including the Great Lakes.

In 1907 the channel was opened to traffic with a depth of 30 feet. As a matter of fact the lowest depth that season was 31 feet 10 inches; and the whole has a magnificent system of lights, buoys, signal service and swept channel.

President W. J. Ross, accompanied by Chief Engineer F. W. Cowie and Assistant-Secretary M. F. Fennell, jr., during February, March and April, 1914, visited London, Marseilles, Genoa, Hamburg, Rotterdam, Antwerp, Bristol, Liverpool, Manchester, the Clyde, Glasgow, Edinburgh, Leith, Rosyth, Hull and Southampton to study developments in these harbors. They collected much valuable information and picked up some good ideas regarding harbor development; but unquestionably the most radical novelty which came under their notice was the Free Port of Hamburg; the steady growth of which has been one of the wonders of the world.

Across the border they have awakened to the importance of the Free Port idea, recently suggested by the "South Shore Press," for the South Shore. In the House of Representatives at Washington, Representative Hulbert has introduced a resolution: "That the Secretary of the Treas-

ury, the Secretary of War and the Secretary of Commerce be, and they are hereby directed, to report to Congress, on or before December 15 next, as to the advisability of the establishment of free ports within the limits of the established customs districts of the United States and the Panama Canal zone.

"There is hereby appropriated for the purpose of defraying the expense of conducting the investigation herein authorized, out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$10,000."

The subject was touched upon when the Underwood Tariff was under discussion, and although naturally shocked at being confronted with anything so startling as a new idea Congress went so far as to permit the manufacture of cigars in bonded warehouses. What we want is one big bonded warehouse extending from St. Lambert to Longueuil, where cigars or anything else can be manufactured in bond. Even Mr. Bickerdike would admit that a man might as well be hanged for a sheep as for a lamb; and Canada long ago admitted the principle of manufacture in bond. If it is good to manufacture cigars in bond, why would it not be good to build locomotives, steamships, automobiles or pianos in bond? Why would it not be good to store all kinds of European and foreign produce in bond so as to ensure prompt delivery to all parts of this great continental market? Congress having taken up the question this is no time for timid half-hearted experi-

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ment. The biggest port in the United States will certainly be a Free Port. Hamburg, and Glasgow, are Free Ports. The question of our economic policy, after the war is, or ought to be, a very live issue in Canada just now. Nearly all the biggest ports in the world, such as London, Liverpool, now.

Marseilles as a Free Port

INVOLVES A RIVER, SEA, AND CANAL ROUTE FROM LONDON TO THE MEDITERRANEAN.—WILL SERVE MORE COUNTRY THAN HAMBURG.—THE FACILITIES OF MARSEILLES, HAMBURG, AND MONTREAL COMPARED.

(From the "South Sh. Press,"
Friday, June 2, 1911.)

The "New York Times" says: With the opening on May 7 of the great canal connecting Marseilles with the River Rhone came the announcement that Marseilles is to become a free port in direct competition with Hamburg. The object in view when designing the canal was to connect Marseilles, the premier French port and one serving numerous industrial establishments, with the centre of France, by a waterway sufficient to deal with a larger amount of goods of greater bulk than could be carried by the existing railway lines. There being a number of French canals connected with the Rhone and its tributary, the Sonne, the new waterway will put Marseilles in direct communication with a large part of Northern Europe and permit a more effective distribution of those products which come to the French port from countries bordering on the Mediterranean.

Hamburg and Bremen are the only great German ports. They lie seventy-five miles apart, on the coast of the North Sea, and, under normal conditions, compete for the foreign trade of the common German hinterland. Their communication with the provinces of East and West Prussia is

mostly by sea; the waterways and railways have little to do with these regions. In the trade with the rest of Germany east of the Elbe, says Professor Edwin J. Clapp of New York University, Hamburg predominates because of the possession of the Elbe and the rivers with which it is connected. Hamburg exercises in Austria a similar preponderance for the same reason. The Elbe flows into the North Sea at Hamburg, the Weser at Bremen, the Dortmund-Ems Canal at Emden, while the Rhine does service for the three foreign ports of Rotterdam, Amsterdam, and Antwerp.

The Marseilles canal, which threatens serious consequences to Hamburg's trade, is one of the important public works that were carried on despite the war. The waterway connects Marseilles with Arles on the Rhone, and for part of the distance runs under a tunnel under the North range of hills to the northwest of the great port. It also connects London with the Mediterranean by an almost straight line, making Marseilles the greatest gateway to the East and the central clearing house for all North African trade. Fifty miles long, it has taken twelve years to build, and its cost about \$20,000,000. The scheme

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has been carried out with financial aid from the State, the Department of the Bouches-du-Rhone, and, more especially, from the Chamber of Commerce of Marseilles, which expects great results from the work.

Engineers point out that the Rhone is certainly the most interesting French river. It has been utilized in the past in a large measure, and since 1878, under the influence of the great enthusiasm shown in France in favor of internal navigation schemes its flow has been improved from time to time. The river in its main portion runs in a north to south direction and is continued northward at Lyons, and in an almost straight line, by the Sonne, thus forming a watercourse which should be capable, according to a writer in the English journal, "Engineering," of placing the Mediterranean in direct communication with Northern Europe. He adds:

"It is even, it might be said, the sole watercourse available in this respect, for there are practically no other important watercourses which flow southward into the Mediterranean."

A scheme for such a canal as the one now open was put forward as early as 1820, at a time, therefore, when there were no railways. The plans of that day were not utilized. A further effort was manifested in 1840 to construct a canal that would pierce the Nerthe range, with a number of locks to make up for the difference in level. At this latter date, an engineer explains, the railway from Lyons to Marseilles was not yet built, and the promoters of the canal had selected for their tunnel the site

for the traffic through the tunnel. The question of a canal to Marseilles was taken up afresh in 1873, and a scheme was then put forward to build a waterway following the coast line. This scheme was found to require a waterway of too great a developed depth, and it was abandoned for another in which the canal ran in tunnel for part of its length, notwithstanding the cost of tunneling and the extra charge for dealing with the extra traffic through the tunnel.

Finally, the construction of a canal joining Marseilles to the Rhone was declared a work of public utility by a law passed in the French Parliament on December 22, 1903. In the scheme of thirty years before the canal started from the north basin of Marseilles Harbor, followed the coast in front of L'Estaque—that is, the point where the railway line emerges from the Nerthe Railway tunnel—continuing along the coast up to the Lave Point, where it was to enter the tunnel. On leaving the tunnel on the north side, it utilized two salt-water lakes, the large being the Etang de Berrie, meeting an existing canal joining Port de Bouc, and also an existing railway from the latter place to the Rhone. The cost was estimated at \$16,000,000. The scheme finally adopted was similar to the one put forward in 1873, except that the present canal enters the Rhone at Arles.

Advantages of a Free Port.

The first advantage of a free port, such as Marseilles is to be, is in facilitating re-exportation. The importance of the re-exportation trade is

what, before all else, led to the creation of the free port at Hamburg. Merchandise can be bought free of panies. Most important of all, mod- duty into the free port, stored in its own terminal facilities have been pro- warehouses, repacked or mixed, and vided for the barges, both in Ham- then, as conditions of the market dic- burg and in the river ports. tate, sent across the customs line into Germany or shipped to Scandinavia and the Baltic. In the free port for- eign merchants can maintain sample or consignment stocks. Bonded ware- houses do not offer the same oppor- tunity for unhindered movement of merchandise within a port; every- thing must be done under the haras- sing control of customs men.

Competition with Hamburg

Hamburg has waterway communica- tion with all of eastern Germany, with Berlin, and the Silesian indus- trial district, in addition to its own territory of the Elbe. This connec- tion is denied Hamburg's rival, Bre- men, for there is no canal between the Elbe and the Weser. It is a splendid hinterland and one bound up, in times of peace, with oversea trade.

It will be interesting to watch the effect of the competition between Marseilles and Hamburg which will be manifest after the war. Hamburg has in the Elbe and its connecting waterways a splendid means of com- munication with all Eastern and Cen- tral Germany. Primarily for this rea- son, Hamburg in ordinary times pre- domes in the foreign trade of Central Germany and draws heavily on the eastern part of the Empire. The greatest advantage is taken of the opportunity to use the waterways. Huge sums have been spent on their betterment, the floating stock of the

river has been modernized and trans- portation organized under large com- panies. Most important of all, mod- erty into the free port, stored in its own terminal facilities have been pro- warehouses, repacked or mixed, and vided for the barges, both in Ham- burg and in the river ports.

A Great Work Executed During the War.

The "Albany Argus" says:—"For the two years France has been at war, work on the Marseilles Canal has been steadily carried on, notwith- standing the fact that the French were in sore need of all their re- sources, both in men and money. And now the canal, which was started twelve years ago, is finished and it is confidently expected that it will make Marseilles one of the greatest ports in the world; and not only that, but it will make Marseilles the cen- tral clearing house for all North Amer- ican trade.

"Fifty miles long, the canal has cost \$200,000,000. Nearly five miles of it consists of a subterranean tunnel 72 feet wide and 45 feet high, blasted through the Nerthe Mountains, a won- derful engineering feat.

A Waterway From London to the Mediterranean.

"The canal completes a waterway between London and the Medi- terranean by an almost straight line, mak- ing Marseilles the greatest gateway to the East. It enables Marseilles to expand industrially along the shores of the great inland gulf known as Etang de Berre, which will now be studied with huge factories and ware- houses. It is said that its effect will be to make Marseilles a free port, which will be a hard blow to its rival.

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Hamburg. Of special interest to Americans is the fact that it is planned that duty would only be paid at the time of delivery from the free harbor through the Panama Canal, particularly oil."

Montreal's Facilities and Opportunities.

Both in existing facilities for shipping and in, so far, undeveloped opportunities for trade, Montreal is a long way ahead of both Hamburg and Marseilles. So far as the proposed Free Port of Montreal is concerned, that is to say, the South Shore Free Port, it will be in no way a rival to Marseilles. Rather will the two ports be of the greatest benefit to each other. There can be no rivalry between Marseilles and Montreal.

From the "Montreal Herald," June, 1916:—

"In the 'South Shore Press,' Mr. Henry Dalby has a long article advocating the establishment a free port opposite Montreal, extending from St. Lambert to Longueuil. A free port is not a place where there are shipping dues, but a port where no customs taxes are collected. The idea is to carve out a large area of land around a port and treat it as a separate country in the matter of tariff. Within this area manufacturers would be allowed to import raw materials absolutely free of duty, and the world can export the finished product unhampered by tariff imposition. Goods would also be allowed to be stored in the warehouses for any length of time and re-shipped without payment of

"Mr Dalby quotes reports from the Harbor Commissioners to show that such a free port covers about seven-eights of the harbor area of Hamburg, and has proved a great success, resulting in an extensive warehouse business being done, in the establishment of important manufacturing concerns, and in the fostering of the largest ship-building plants in Germany. Canada long ago admitted the principle of manufacture in bond, and if, he asks, it is good to manufacture cigars in bond, why would it not be good to build locomotives, steamships, automobiles or pianos in bond? Why would it not be good to store all kinds of European and foreign produce in bond so as to ensure prompt delivery to all parts of this great continental market?

"London, Liverpool, and Glasgow are free ports, and Marseilles is now to be made a free port, in competition with Hamburg. Furthermore, the United States Congress is considering a proposition for the establishment of several free ports in the United States. It will be seen therefore, that the issue is a live one, and it would certainly appear that if any port in such a policy it is Montreal, the meeting place of half a continent's importers and re-shipper of goods by the authorities."

Why the Free Port Should be on the South Shore

MONTREAL HAS TWO GREAT OPPORTUNITIES FOR DEVELOPMENT ACCORDING TO THE STEPHENS COMMISSION REPORT.—ONE DUE TO IT'S POSITION AND CANAL FACILITIES, THE OTHER DUE TO IT'S NATURAL SUITABILITY FOR A FREE PORT AREA.—WHY THE FREE PORT SHOULD BE LOCATED ON THE SOUTH SHORE.

(From the "South Shore Press,"
Friday, June 9, 1916.)

Mr. George Washington Stephens and Mr. Cowie, in their report on British and Continental Ports, with a view to the development of the Port of Montreal and Canadian Transportation, recognize five distinct types of port business, specially prominent in the ports visited. These five types are as follows:

- (a) Ocean ship to coasting ship;
- (b) Ocean ship to railway direct;
- (c) Ocean ship to warehouse by vehicle;
- (d) Ocean ship to warehouse by lighter;
- (e) Ocean ship to canal barge;

The (c) type were found most marked in Liverpool, Antwerp and Montreal. The necessary requirements for its development are convenient and good roads to warehouses; facilities for loading and unloading, convenient to the ship; concentration of business and the proximity of large warehouse accommodation, with railway access to and from terminals and warehouses."

Of the (d) type, ocean ship to and from warehouse by lighters, he found

special examples in London, Hamburg, and Antwerp, where numerous warehouses are accessible from the water direct. He says delivery by lighters of from 50 to 200 tons capacity is the cheapest mode of transfer. This must be particularly true of the Thames, where the lighters are moved up and down by the tide so that an immense area is served without any expense whatever. When the tide turns, the barge is steered to the bank and moored; and the captain and the crew—the latter generally composed of one boy, go ashore until the tide turns again and the voyage is continued. Many of the barges go down the Thames from London and up the Medway to Maidstone and Rochester, and the cost of the transportation is may be imagined, trifling.

He found the best examples of the (e) type to be Antwerp, Hamburg and Montreal, with the advantage to Montreal in the depth of the Canadian canal system.

Montreal's Great Opportunity.

Mr. Stephens points out that Montreal has splendid possibilities of developing (a) and (d); (a) by way of the 14 feet Canadian canal system, to

18 WHY THE FREE PORT SHOULD BE ON THE SOUTH SHORE

the head of the Great Lakes, through which ships equal to European coasting and Baltic Sea ships can navigate; and (d) by her natural suitability for a Free Port area completely approachable by water.

He adds: "The development of a free port district within the harbor of Montreal is worth earnest consideration, as it would unquestionably make her the great entrepôt and distributing centre for a large share of the North American business. The advantages afforded by a modern and well-equipped manufacturing and bonded warehouse district for the re-manufacture of articles using partial home raw material and labor for the storage of through traffic cannot be over-estimated."

Why Should the South Shore Have the Free Port?

The other day I was asked, "Why should the South Shore have a Free Port and Montreal not have one?"

I do not know of any reason why

Montreal should not have a Free

Port on Fletcher's Field or the top of

Mount Royal if it wants one; but I

cannot imagine Montreal wanting any

place for it to have a Free Port.

I was discussing the Free Port question with a prominent harbor official

Shore. In this opinion I entirely

coincided. When a great many years

ago I first suggested a Free Port for

Montreal, I was so convinced that it

was out of the question to locate it

on the harbor front that I proposed

its establishment at the Back River.

That, however, was at the time of the

old tubular single track Victoria

Bridge, when the Southern Counties

Railway was not in existence and

comparatively little dredging had been

done in the harbor.

You cannot possibly have a Free Area and a Protectionist Area mixed up. You can have either one or the other, and there are too many great vested interests identified with the present harbor front to permit of any interference with it. The Free Port of Montreal should be near to the old system of docks and wharves, but not a part of it. There is no harm in recognizing the fact that the Harbor of Montreal has a South Shore as well as a North, conventionally speaking. The jurisdiction of the Harbor Commissioners extends to both sides of the river and to both shores. St. Lambert and Longueuil are just as much part of the Port of Montreal as Montreal itself.

The South Shore is an ideal spot for the Free Port, because there is no other place so near to a great commercial and manufacturing city where the interests of the Customs House can be so effectively and cheaply guarded. The lighterage facilities to be obtained more cheaply and conveniently from the South Shore, than from any other place near Montreal are entirely sible to big ocean steamers; and it is

big ocean-going steamers; as well as

to ships and barges going up the canals.

That Earnest Consideration.

Although the Stephens-Cowie report was made in 1908, it does not seem to have met with much earnest consideration by anybody outside the Harbor Board, from that day to this. The press and the politicians have equally ignored it. Meanwhile the subject is not regarded as negligible in some other countries which have not nearly so much to gain from free ports as Canada. I speak of free ports in the plural number because I think Canada is big enough to have several Free Trade areas laid off. France is setting a magnificent example in this as in other things. When the new route from London to the Mediterranean via Havre, Lyons, Arles, and Marseilles, is complete, the Free Port of Marseilles will become one of the greatest ports in the world as Montreal may yet be. The "London Economist" says: "In two years' time, or three at the utmost, the two greatest seaports of the North and South of France respectively will be connected by a continuous inland waterway, upon which the cost of carriage of goods will be reduced to less than half the railway rates. At present, barges can reach Lyons from Havre by the Seine, a canal, and the Saone, but from Lyons onward the Rhone, which in the earlier part of its course is a mountain torrent, becomes a river of strong currents, with constantly shifting shoals and sandbanks, and very variable in its depth at different places and seasons. Since 1878, however, the river between Lyons and Arles has been cleared and deepened.

so that barges of 350 tons capacity and about 3½ feet draught can traverse it for 362 days a year on the average, while for 11 years continuously there was no interruption. The annual traffic had risen from 120,000 tons in 1879 to 400,000 tons in 1910, but there is no satisfactory port at the mouth. Since 1906, however, a canal, 50 miles long, partly on the lines of an older one, has been under construction from Arles by port de Bouc and Martingues to L'Estaque, near Marseilles. There is only one lock—at Arles; and the final section, a tunnel some 4½ miles long, through a ridge of rock, was inaugurated by a distinguished company, including the Minister of Public Works. The tunnel will be approximately 72 feet wide and 50 feet high, and the depth of water in it will be nearly 8 feet. Before entering the tunnel the canal passes through a desert on the border of a salt lake, the shore of which is now covered with chemical works, manufactories of explosives, and other establishments called into existence by the war. Probably the canal will make it a great industrial district, and much traffic is expected, notably in phosphates from Tunis and agricultural produce from North Africa and Provence, in exchange for the manufactures of central and Northern France."

Enterprise has done a great deal for the Port of Montreal, but Nature has done more. To-day it is a National Port. With a Free Port Annex which much more than half the continent of North America will be con-

Montreal's Free Port

ALL THE WORLD'S GREATEST SEAPORTS ARE SITUATED INLAND.—MONTREAL FURTHER FROM SEA THAN ANY OTHER OCEAN PORT.—ALL THAT IS NECESSARY TO MAKE IT SERVE HALF THE CONTINENT OF NORTH AMERICA IS THE SOUTH SHORE FREE PORT.—WOULD BE OF GREAT SERVICE TO FARMERS OF NORTHWEST.

(From the "South Shore Press," miles from Cantire, where it is considered the Firth of Clyde begins and Friday, June 16, 1916.)

The greatest seaports in the world are not as a rule situated on the sea coast, but rather as far inland away from the sea as they can get. London, for instance, is fifty miles from the mouth of the Thames. Liverpool is three miles up the Mersey from the sea. New Orleans is 106 miles from the Gulf of Mexico. Philadelphia 105 miles from Hampton Roads. Other ports located a considerable distance inland are Brunswick, which is about 12 miles from the ocean; Hartford, about 53 miles; Mobile, 30 miles; Port Arthur, Tex., about 17 miles; Portland, Ore., 112 miles; Richmond, 104 miles; Sacramento, 111 miles; Savan-

nah, 26 miles; Washington, 195 miles; Wilmington, Del., 82 miles; Wilmington, N.C., 30 miles. Hamburg is 76 miles from the mouth of the Elbe; Antwerp is 55 miles from the mouth of the Scheldt and at the head of navigation on the Meuse; Glasgow is 19 miles up the Clyde, which has been made navigable by dredging. In 1773 the river at Glasgow was 15 to 18 inches deep and was fordable at Dumbuck, twelve miles below Glasgow. The port is 48

inches from the Firth of Clyde, drawing 29½ feet of water. Another case of ocean navigation being extended inland is at Manchester, 35½ miles from Liverpool. It cost \$75,000,000 to make Manchester an ocean port by means of the Manchester Ship Canal. Of course, the explanation of the inland seaport is—transportation by water costs so much less than trans- portation by railway. The greatest example in the world of inland ocean navigation is Montreal. The Port of Montreal was made in the first place by the Lachine Rapids. Had there been no rapids between Montreal and Lake Ontario, the head of the St. Lawrence ocean navigation would have been Toronto; not because Toronto is twelve more adapted for an ocean port than Montreal, but simply because it is

farther inland and the nearer you can bring your ocean ships to the centre of the continent, the better is it for everybody concerned. In this matter Montreal has the advantage over all the ports I have named. It is 960 miles from the Atlantic upon a river which is navigable by the biggest ocean steamers; ships drawing over thirty feet of water; and it is at the foot of a system of inland navigation by river and canals, stretching for 1,400 miles farther across the continent; which is available to ships drawing 14 feet of water from Montreal to Port Colborne, and 20 feet from Port Colborne to Buffalo, Cleveland, Detroit, Chicago, Sault Ste Marie, Fort William, and Duluth. The port seems to have been specially designed by Providence to provide more than half the continent of North America with the cheapest possible transportation.

All that is needed to make it actually serve this purpose is

A FREE PORT.

For every ship that comes to Montreal now, probably from twenty to fifty would come if there were a Free Port area set aside in the harbor. They would not only contribute their full share to the revenues of the Harbor of Montreal; but they would provide facilities now sadly needed for Canada's export trade. The farmers of the North-West and the great Canadian railways are as much interested in this matter as are the people of Montreal and the South Shore. Thousands of bushels of grain are shipped every year to the United States ports, because ships cannot be found for them in Montreal.

Canada's transcontinental railways (and it is the only country possessing transcontinental railways) are the complement of the river and canal system of transportation. A Free Port would find winter traffic for the Intercolonial, the Canadian Pacific, the Grand Trunk, the Grand Trunk Pacific, and the Canadian Northern, to say nothing about the American railways which have Montreal connections.

The Stephens-Cowie report, after enumerating the many advantages Montreal already enjoys as an Inland Ocean Port says:

"In view of these facts it would seem to be most urgent to supplement without loss of time these great advantages:

1. By making the most of our present accommodation through its proper equipment;
2. By doing everything in our power to attract shipping by securing absolute safety of approach;
3. By laying down a general plan of future development with a view of providing at Montreal a port equipment equal to that of Hamburg or Liverpool;
4. By encouraging the railways serving the Port of Montreal to develop more intimate traffic relations with the railways serving the British and Continental Ports;
5. By developing and equipping a modern winter port providing ample accommodation to take care of the trade developed through Montreal during the season of navigation;
6. By incorporating in the future general plan of extension a Free

Port District after the model of will command not only Canadian Hamburg, and so inaugurate on Cana- business, but a large part of the dian soil a port which, by its prestige Western export and import business of position and strategical trade value, of the North American Continent.

The Free Port an Economic War Measure

(From the "South Shore Press,"
June 16, 1916.)

We in Canada cannot be accused of being too precipitate in our preparedness for the economic war that is most surely coming immediately upon the close of the more brutal war now in progress. What the German cannot accomplish by force of arms, he will certainly try to achieve by chicanery and underhand scheming in commercial rivalry. The same gigantic system of espionage corruption, and misrepresentation which has been used for all it was worth in the war, will be used after the war is over, in what with unconscious humor they will no doubt call an era of peace. It will be economic war to the knife. To recover the markets they have thrown away; to kill the new competing industries brought into existence by their egotistic blundering stupidity, they will stop at nothing. Already they are declaring that their manufacturers are to sell at less than the cost of production, the Government making up the deficiency in price, until the new competition has been killed off, when we shall, they say, have the privilege of making up for what the fight has cost their government.

Well! If there is to be economic war. It will have great geo-

war, let it come on; and we will quit ourselves like men. To the average German, the British fiscal system is a profound mystery. He cannot grasp the idea of its multiplicity of tariffs under a Free Trade Imperial Government. No doubt he fondly imagines that our system of allowing every Dominion to mind its own business will be fatal to the Empire and to any entente cordiale between the Empire and its Allies in an economic war. The industry of which they are most jealous is our mercantile marine, and they cannot imagine how Great Britain can go into any preferential trade arrangement without destroying its great carrying trade which is so largely dependent upon freedom from customs duties. We have been pointing out the important services that can be rendered to merchant shipping by a Free Port. The "New York Times" points out still another one. If a cargo cannot be disposed of quickly, its re-shipment is greatly facilitated if it has been landed at a Free Port. By its determined prosecution of the work on the Marseilles Canal, while the present war is going on, France has shown that it appreciates the importance of preparedness for economic war. The Free Port of Marseilles will cut a great figure in

graphical advantages over Hamburg and these, joined to the great advantage of the commercial entente cordiale with the Allies, ought to force Hamburg to take a much lower place in the business class. It will be a great advantage to us to have our quarrel just, it will also be a decided advantage to get our blow in "fust." The less encouragement the German "drummer" meets in his old markets in the earlier stages of the economic war the better. The South Shore Free Port would benefit every producer and manufacturer in Canada.

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(From the "South Shore Press."
Friday, June 23, 1916.)

A typographical error in the heading of last week's Free Port article made it read, "All the World's greatest Seaports are situated on Islands." Of course it should have read as set forth in the body of the article, with considerable emphasis and illustration: "Are situated Inland." While some of the world's greatest seaports are situated on the British Islands, there are others on the continents of Europe and America; but with a few exceptions, they are all at considerable distances from the sea. The distance from the sea was an advantage enjoyed by Montreal to a greater extent than any other ocean port in the world. It is generally held that it costs as much to carry 50 tons by road, as it does to carry 500 tons by rail, or 5,000 tons by ocean steamship. It is therefore desirable to carry freight as far inland as possible by

the ocean steamer, especially if that brings it to a point near to the business centre of the country. The two things act and re-act upon each other. The business centre attracts the shipping and the shipping is the most important factor in the development of the business centre. Without the unrivalled river approach to Montreal and the port facilities there provided, most of the Canadian steamship lines would cease to be Canadian. And what would Montreal be without the ocean steamships? The port occupies a position of vital importance upon a great trade route stretching all across the continent from the Atlantic to the Pacific. It is impossible to have a better strategic position for a Free Port on the whole continent of America. Let it be remembered that a Free Port is not and should not be affected by political boundaries. The South Shore Free Port could render as great service to the merchants of the United States as to the merchants of Canada. So far as the American or Canadian custom houses are concerned the Free Port is only a way station on the trade route. That Canada would derive from the Free Port would be the great number of ships that would come with imports for more than half the continent, and be available for the transportation of Canada's exports across the ocean and to the West Indies, and the Northern United States and, for that matter, the Southern States.

(although by no means the only one)

obtain the European goods in the "The Star," under the heading, Port of Montreal rather than have "Free Port Project Being Advanced," to cross the Atlantic to make their purchases. It would certainly save them from endless delays and many vexations.

Under One Control.

Another advantage that Montreal enjoys is that the whole port and its approaches are under one control. The water front on the South Shore belongs to the South as on the North Shore belongs to the

Harbor Commissioners in their corporate capacity. In this respect Montreal is ahead of London. Riverside quays on the Thames are needed, but the water-front needed, belongs in most cases, to private owners. The docks are in enclosed basins, and the tidal water is let in and out by locks.

The South Shore has the advantage that the whole river front is at the command of the Harbor Board and plenty of land for dock extensions and warehouse and factory construction can be bought cheaply just now.

Under the terms of the resolution. Under the terms of the resolu-

"The Gazette" says: "With the idea of having a free ocean port on the South Shore, the Council of St. Lambert on the Thames are needed, but the water-front needed, belongs in most cases, to private owners. The docks one municipality of the four South Shore towns, to take place only in the event of a Federal Act creating a

Free Port on the South Shore. The council of the town of Longueuil has already discussed the question of union, and has referred it to its general committee for study. The town of Montreal South will discuss the question on Thursday evening of this week, and Greenfield Park will discuss it on Thursday evening of next week."

THE MONTREAL PAPERS ON THE FREE PORT IDEA."

(From the "South Shore Press,"

Friday, July 7, 1916.)

At Monday night's meeting of the St. Lambert Town Council, Alderman Deschenes' resolution in favor of amalgamating St. Lambert, Longueuil, Montreal South and Greenfield Park into one city, and to apply to the Federal Government for a law to create that city a Free Port, was unanimously passed, and as the "Montreal Herald" puts it, was the first really definite step towards the South Shore Free Port.

The "Evening News" says: "The whole proposition is one with very large industrial possibilities. By free port it is meant that all goods can be imported into the free port area and no duty paid while they remain in that free port. The area itself, according to Thomas Robb, of the Shipping Federation, who was seen this morning, constitutes the bond. Incidentally manufacturers can come in and set up their plants within the same area, receive all the various parts of material for the manufacture of their

products, put them together and export them again. No duty is paid, unless they are exported into Canada.

"On the other hand, if the goods, after manufacture, are shipped outside the prescribed free port area duty would at once become payable.

"Material may also be brought in large quantities from abroad and remain in bond in the free port at a small storage charge until the manufacturer gets a sale. Then he manufactures his product in bond and exports it, then paying his duty if it is for a Canadian buyer.

"One objection to the proposition of the union of the four municipalities which was voiced by a resident of the South Shore this morning is that the citizens of any of the towns will not like the idea of being called upon to share in the municipal debts of the others, in the case where they are larger. For instance, Montreal South residents will not want to pay part of the town's debts of the other three towns if their's is much smaller.

"St. Lambert has a big debt and it is not considered likely that Longueuil will like to have their debt increased by taking on part of St. Lambert's. A scheme of proportion will probably be worked out.

In conjunction with the proposition a table has been submitted showing that the combined population of the four towns is 12,559 people; the number of taxpayers is 3,221, and the total property valuation is \$11,695,279.

"The town union scheme provides for four districts: St. Lambert, Longueuil, Greenfield Park and Montreal South. St. Lambert and Longueuil have three wards each with two alder-

men from each ward, while Greenfield Park and Montreal South have one ward each with two aldermen from each ward. This makes a council of 16 aldermen. A mayor is to be elected at large, so that the numerical composition of the council would be seventeen.

"The whole scheme falls to the ground if the Government fail to pass the required Federal Act, creating the Free Port."

"La Presse" says: "Longueuil, St. Lambert, Montreal South and Greenfield Park appear ready to unite in forming one large city, if the Dominion Government consents to establish a Free Port within their limits. Each and every one of these municipalities on the South Shore would benefit by the realization of the project."

"La Patrie" says: "A Great Port. In the hope of having a Free Oceanic Port upon the South Shore, the Town Council of St. Lambert at its meeting last evening, passed unanimously a resolution in favor of the union of the four towns of the South Shore—St. Lambert, Longueuil, Montreal South and Greenfield Park. This union of the four towns not to take place until after a Federal Statute has been obtained creating a Free Port on the South Shore. The Council of Longueuil has already studied this question and has referred it to the Committee for consideration. The Councils of Montreal South and Greenfield Park will discuss this question the first on Thursday next, and the second on Thursday week."

"Le Canada" says: "The initiative

ST. LAMBERT TOWN COUNCIL

taken by the Town of St. Lambert, with wharves to receive the vessels; which launches the idea of establishing the principal railways of Canada radiating a Free Port on the South Shore of the St. Lawrence, puts back as an estuary the question of establishing a Free Port at the head of Atlantic navigation.

"This question was somewhat discussed a few years ago, when the limit of ambition of the Montreal trade seemed to be the making of Montreal a Free Port, that is to say without dues or fees to be paid by the vessels coming in.

"'Port franc' and 'Port libre' are two distinct things; because a 'Port franc' can never be a 'Port libre,' and vice versa. A 'port franc' is a port where all importations would be considered in bond and on which duties would be paid when taken out.

"But it seems to us that if the Canadian Government were to decide—who knows?—to establish a Free Port in Canada, the Island of Montreal is the ideal spot for this, inasmuch as its belt of river would render the collection of dues much easier than anywhere else.

Moreover, the raison d'être of the Free Port is to bring to industries the raw materials and the partly manufactured and on which dues are paid on the imported material only and not on the value added on by the manufacturing process.

Now, we have, in Montreal, the establishments all ready for this transformation of raw material into the manufactured product for consumption.

We have miles and miles of wharves and sores ready to be lined

up around Montreal as also the interior navigation lines.

"Montreal, therefore, has all that is needed to become a Free Port and the dream of all those who see the Island of Montreal covered with habitations and manufacturers would speedily become a reality if it were decided to make it a free port.

"Evidently this is one of the projects the realization of which must be put off till the war is over; but the preliminary surveys could be undertaken immediately . . . If we had at Ottawa a Government which pre-occupied itself with our industries, and in the cabinet influential representatives of Montreal and of the Province."

ST. LAMBERT TOWN COUNCIL

Alderman Deschenes proposed the resolution of which he had given notice, regarding the amalgamation of the four towns for the purpose of obtaining a Free Port on the South Shore. The resolution, which was unanimously adopted, reads as follows:

Basis of Union.

Whereas the towns of St. Lambert, Longueuil, Greenfield Park and Montreal South are to apply to the federal Government in order to have a federal law passed for the establishing of a free port on the South Shore from St. Lambert to Longueuil, for the importation and exportation in and outside of the Dominion of Canada, and if such law is passed it shall be very important and necessary to carry out the union plan for the four above-

named towns, so their great future "That the Secretary-Treasurer be instructed to communicate the above to their municipal affairs in common on the principal following basis:

"1st.—The towns of St. Lambert, Longueuil, Greenfield Park and Montreal South shall form a municipality under the name of —;

"2nd.—Its limits shall be the limits of the above-mentioned four towns;

"3rd.—It shall be divided into four wards: St. Lambert, Longueuil, Greenfield Park and Montreal South;

"4th.—St. Lambert and Longueuil will have three wards, each with two aldermen from each ward, Greenfield Park and Montreal South one ward each, with two aldermen for each ward, one alderman per ward to be elected every year;

"5th.—The Mayor shall be elected by the whole electors of the city;

"6th.—A central City Hall shall be built in or about the central part of the city;

7—There shall be a fire station and police station in each above ward.

8—The four above Towns will continue to manage their Municipal affairs separately according to their Charter till the first of May, 1919;

9—At the first Council Meeting of May, 1918, the above four Councils shall elect two delegates to prepare in common a Charter for the new city to be submitted and adopted by the Quebec Legislature at the first following session.

If the above free port law is not passed by the Federal Government, the present Resolution will be null."

Alderman Deschenes then proposed objection to passing the motion to

them to give their approbation to such a move in order to jointly and strongly impress the Federal Government to pass a law for the establishing of a Free Port on the South Shore. That the resolution being adopted shall only engage the four Councils to refer the question to unite by a Referendum to the electors to unite in a plan to protect the interests and the welfare of the said four Towns."

Alderman Prendergast seconded the motion with a view to strongly impressing the Federal Government with the importance of the project and also to bring the matter before the electors.

Alderman Gordon said this seemed to be a pretty large undertaking. He was quite in favor of a Free Port on the South Shore, but there was a lot of considering to be done.

Alderman Milligan said if the motion were changed to a resolution in favor of a Free Port he would be in favor of it.

Alderman Deschenes said his motion was intended to bring the matter definitely before the public. The first resolution is only in the form of a notice of motion, and I will make that motion. If the Council of St. Lambert is not prepared to support this motion the project had better be put in the basket and it would be just as well if Mr. Dalby and the paper were to say no more about it.

Alderman Prendergast could see no

night. He did not think the Town sent copies of them all to the Prime Council of St. Lambert should be backward in the matter. It was time for them to back up the Free Port idea by a resolution. The argument has been used in a public meeting held here that if Montreal South wanted water it should be annexed. Far from being against annexation, the people of Montreal South were all in favor of it.

Alderman Deschenes said he had met two of the Mayors of nearby municipalities, and he had asked if their Councils would favor such a resolution as he had proposed and they said they would wait for St. Lambert to pass the resolution first. They did not want Longueuil to take the first step.

Alderman Milligan said he was very much in favor of a Free Port and had no hesitation in supporting Alderman Deschene's resolution. He was absolutely in favor of a Free Port.

The resolution was carried unanimously.

Mr. J. H. Rainville, M.P., Enthusiastic for Free Port.

Mr. J. H. Rainville, M.P., said he wanted to congratulate the Council of St. Lambert upon the step they had taken with regard to the articles written in our local paper about a Free Port. The City of Montreal may not have a vacant place for a Free Port unless they go far beyond the town. We have a lot of land on this side of the river available for a Free Port area. We have the water. We are ready. They had all read with great interest the articles written by Mr. Dalby. He (Mr. Rainville) had

Minister and had notified Sir Robert Borden of his intention to bring the matter up in Parliament. Many people say that after the war will come Canada's time for business development. The Free Port would be a grand thing for Canada. It has done well for Germany at Hamburg and will do well for France at Marseilles. It may seem strange to have to go to Germany for an idea like this; but the experience of Hamburg had been most impressive. The result of making Hamburg chiefly a Free Port had been to bring immense quantities of goods to be stored and manufactured in a protected country. The South Shore would be the bonded warehouse of Canada. He congratulated the Council of St. Lambert. Its action does not bind the Town any more than it does the other towns. Mr. Dalby had been referring to him as a man who was not afraid of a new idea and he was glad that the Council was of the same turn of mind. He hoped they would study this project carefully and he was sure they would be favorably disposed to it. They might rest assured that any work outside of the organization itself that might be necessary and that he could do would not be laid aside by him. (Cheers.)

FREE PORT MOVEMENT GOING AHEAD.

(From the "South Shore Press,"
June 23, 1916.)

Great public interest is being manifested in the Free Port. We have yet to see a single man who is opposed

to the project, when he understands it Alderman Deschenes has given notice of a motion in the St. Lambert Town Council to bring about the amalgamation of St. Lambert, Longueuil, Montreal South and Greenfield Park into one big South Shore city, which will apply to the Federal Government to create it a Free Port. Every member of the St. Lambert Council has declared himself in favor of a Free Port and it is understood that the action has been taken with the approval of the municipal authorities of the other three towns. The incorporation of the new city would settle a number of important South

Shore problems and would add greatly to the prestige of the South Shore. Mr. Rainville, M.P., who made an enthusiastic speech at the Council in favor of the project, declares that it would be a grand thing not only for the district but for the whole of Canada. He has sent copies of the South Shore Press articles to the Federal Prime Minister, asking for Sir Robert's favorable consideration and notifying him of his intention to bring the matter up in Parliament. Properly managed the project would involve no expenditure of money beyond a few insignificant expenses of preliminary investigations and organization.

The Port and the Harbor of Montreal

A CHAPTER OF DEFINITIONS.—THE PORT IS THE HARBOR AND THE HARBOR IS THE PORT, BUT THE TWO ARE NOT ONE.—UNDER ABSOLUTE SEPARATE JURISDICTION AND CONTROL.

In common usage the terms, "Port" and "Harbor" and "port" of Montreal" and "Harbor of Montreal" are regarded as practically synonymous or at least convertible. As a matter of fact they are absolutely distinct and separate. The Port of Montreal is under the jurisdiction of the Minister of Marine and Fisheries; the Harbor of Montreal is under the jurisdiction and control of the Harbor Commissioners. The confusion in the public mind may have arisen from the fact that both terms are applied by those of us who make any distinction in a sense different to that of ordinary usage elsewhere.

Clearly, however, a port, properly speaking, is a place within a harbor, for the use of ships in loading and unloading. The usage in Montreal with the sanction of law is precisely the contrary; a harbor is a place within a port with facilities for loading and unloading ships.

Section 5 of the Montreal Harbor Commissioners' Act of 1894, as amended in 1909, reads:

"Port of Montreal Defined

"5. The port of Montreal shall be held to comprise all that part of the river St. Lawrence which extends from the basin of Portneuf, exclusively, in the county of Portneuf, to a line bearing N. 65° E. astronomically from the easterly end of the division line between the lots known respectively as numbers 32266 and 3267 of the Official Plan and Book of Reference of the Parish of Montreal, to the east shore of the river St. Lawrence, and shall include such parts of the tributaries falling into the said part of the river St. Lawrence as are navigable for sea going vessels; but shall not include the harbor of Montreal, as defined by section 6 of this Act.

The same excellent authority defines a "Port" as a place to which ships may resort for the unloading or taking in of cargo, or for shelter; a harbor, also a town possessing such a harbor, a seaport or seaport town, especially one where custom-house officers are stationed." The alternative as defined by section 6 of this Act.

nor the harbour of Three Rivers.

"2. The port of Montreal, as defined by subsection 1 of this section, shall be under the jurisdiction and control of the Minister of Marine and Fisheries."

"6. For the purposes of this Act the harbor of Montreal shall be bounded as follows:—

"(a) On the western or city side, to a point opposite the church of the parish of Longue Pointe the boundary shall continue to be as established by the provisions of section 5 to chapter 143 of the statutes of 1855 of the late province of Canada, and as extended by the provisions of section 5 of chapter 61 of the statutes of 1873, which said provisions are set out in schedule two to this Act and shall be construed with reference to the circumstances existing when the said two Acts were respectively passed. Northerly from the said point the said harbor is extended, and the said boundary line shall continue to the extreme northern end of the Island of Montreal, following the river St.

Lawrence along the present line of high water mark, and including the beach thereof.

"(b) The southern boundary shall be a line bearing N. 65° E. astronomically from the easterly end of the division line between the lots known respectively as numbers 3266 and 3267 of the Official Plan and Book of Reference of the parish of Montreal to an intersection with the eastern boundary.

"(c.) The eastern boundary shall be from the intersection of the southern boundary with the present line of high water mark on the east shore of

the river St. Lawrence along the said line of high water mark and including the beach thereof, to the intersection with the northern boundary.

"(d) The northern boundary shall be a line running from the said extreme northern end of the Island of Montreal at Bout de l'isle and bearing due east astronomically and continuing across the river St. Lawrence to the intersection with the southern boundary.

"2. Within the rights of the said harbor the corporation shall have no right in or jurisdiction over the main ship channel of the river St. Lawrence nor over any island, beach or territory, whether covered with water or not, which has heretofore been granted, alienated or leased by the Crown: Provided that if any such island, beach or other territory reverts to the Crown for any reason whatsoever it shall thereby become vested in and subject to the jurisdiction of the commissioners to the same extent as the other portions of the harbor.

"3. The Governor in Council may, for the purposes of this section, define the extent and limits of the main ship channel."

A section of the Act of 1909 improves Section 7 of the Act of 1894, which read:— "The commissioners may erect land marks to indicate the said boundaries of the port of Montreal and of the harbor of Montreal, which land marks shall be held to determine the said boundaries," by striking out the words, "of the port of Montreal and." There was no doubt in the minds of the framers of the Act about the separate jurisdictions and boundaries of the port and

the harbor respectively. The only trouble was that they got the names mixed up and called the port the harbor and the "harbor" the "port."

The Act provides that the Harbor of Montreal shall be vested in the "corporation," that is to say, the commissioners; and shall be under its jurisdiction, control, and management for the purposes of the Act.

To avoid further confusion I shall have, of course, to adopt the phraseology of Parliament and assume that the Port of Montreal extends from Portneuf to Montreal, but not including the Harbor of Montreal and Three Rivers. Which is which, and which is the other is not a matter of much consequence provided we all agree in our applications of the terms; but it is important to avoid the error of regarding them as convertible terms, and for all I know I may have fallen into that error myself. It is difficult to avoid mixing things up when Parliament leads the way. The best way to avoid mistakes is to follow the example of the small boy who expressed his faith in his mother's inerrancy by saying, "It is so, if mother says it is so—even if it ain't so."

But the Minister of Customs will

probably draw the line at extending the South Shore Free Port from Montreal down to Portneuf. And so would I.

Some idea of the possibilities of Montreal as a way station on the great water route from the Atlantic to the Western half of the continent, may be gathered from a glance at the port statistics of the last ten years.

From the Maritime Provinces came 381 vessels with a tonnage of 592,388. The great majority was made up of 12,557 vessels from Inland ports with a tonnage of 3,095,174.

In 1914 the grand total had increased to 13,141 vessels with a tonnage of 9,044,457. But of these only 551 vessels with a tonnage of 2,039,133 came across the Atlantic; 365 with a tonnage of 716,385 were from the Maritime Provinces; and 12,225 with a tonnage of 6,288,939 came from Inland. In that year towards the close of navigation came the war, and there was a considerable falling off in the business of the Port.

In 1906 the total number of vessels arriving in Montreal was 13,377, with a tonnage of 5,068,395. Of these only 439 with a tonnage of 1,380,835 were trans-Atlantic.

Port of Montreal

THE BEST EXAMPLE OF MODERN SEAPORT ORGANIZATION.—WONDERFUL DEVELOPMENT OF THE LAST TWENTY YEARS.—A SPLENDID FINANCIAL RECORD.

The St. Lawrence system of navigation is one of the wonders of the world; wonderful not only for what nature has done by providing a magnificent waterway half across the continent, but for what man has done in improving this great avenue of commerce. The systematic development of St. Lawrence Navigation and of the Harbor of Montreal dates from the early part of the nineteenth century. M. de Gaspe, describing his first voyage from Quebec to Montreal, says: "It was in October of 1818, at eleven o'clock in the evening, when the "Caledonia," in which I had taken passage, left the Queen's wharf. Between seven and eight o'clock on the following morning, my companion, the late Robert Christie, opened the windows of his stateroom and called out, 'we are going famously.' We were really progressing well for we were opposite Point-aux-Trembles; indeed, by a strong wind we had made seven leagues in nine hours. We arrived at the foot of the current below Montreal on the third day, congratulating ourselves on the rapidity of steamer trips, nor did we feel humiliated in the absence of favorable winds, which did not last more than twenty-four hours to have recourse to the united strength of forty-two oxen to assist us in ascending the current."

In "Hochelaga Depicta," we read: "Formerly much time was lost by vessels from sea, and it was no unusual thing for them to be detained for weeks at the foot of the current of St. Mary, by the want of a favorable wind to bring them up to the town."

For more than a hundred years that current has been a great barrier at the entrance to the Harbor of Montreal, and only now is it being modified to make the entrance to the port easy and safe.

Even at the early period I have mentioned there were men in Montreal who were not afraid of a new idea; and, as now, there was a considerable number who were so frightened of a new idea, that if they met one in the streets of Montreal, they at once took to the tall timber and stayed there until the danger was over.

Fortunately, Montreal, like the rest of the world is, and has been, dominated—in everything except civic politics—by its great men; its men of big ideas; and for whom a new idea has no terrors. It is due to them that as Mr. Calvin Tompkins, Commissioner of Docks and Ferries of the Port of New York says: "I believe, at the present time, while suffering from the disadvantage of ice obstruction in

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the winter. Montreal nevertheless affords the best example of modern seaport organization.

"Organization" is the right word to use in this connection. The Commissioners have spent about \$25,000,000 as the trustees of the Dominion Government in the last twenty years in providing harbor facilities; but every dollar of the interest on this sum has been paid promptly out of the earnings of the port. The enterprise of the shipping and railway interests, of importers and exporters have all been organized into a united effort for a common purpose.

The really big development of the Port of Montreal began when it ceased to be managed by the old Board of Harbor Commissioners, the efficiency of which was in inverse proportion to its numerical strength. It was really a debating society which counted for a good deal in the census and for precious little in anything else. When it was not engaged in squabbling it was either "pointing with pride," or "viewing with alarm," and that is about all there was to it. The new Board of three commissioners was appointed under an Act passed in June, 1906.

There never was a time when the Montreal Harbor Board proposed to spend \$25,000,000 on harbor improvements. Like sensible men do in such matters, they broke it gently to Parliament.

When Sir Charles Tupper as Minister of Railways was asking for a further grant as a final settlement in aid of the Canadian Pacific, Edward Blake protested, "But I thought when

we made the last grant, that was to be a final settlement." "Yes, I know," said Sir Charles, calmly, "But this is to be a finally final settlement." Finally final settlements, in connection with great national enterprises, are, fortunately, rare. The great business enterprise that ceases to need new capital, is on the down grade. Sir Charles has been justified by the phenomenal success of the C.P.R. The Harbor Commissioners have been justified in their policy for the last ten years by the financial success of the trust committed to them, no less than by its beneficial influence upon the commerce of the Dominion.

In 1896 the old Board had obtained a grant of \$2,000,000 to complete the works in progress and to construct "any further works required in the Harbor of Montreal," and incidentally to repay the Government certain loans and advances.

But \$2,000,000 naturally did not go far in constructing further works required, and in 1898 the Commissioners got another \$2,000,000 to complete works in progress and construct still further works required.

In 1901 they took another million and in 1903 they made up for the reduction and kept up the average by getting \$3,000,000.

The new Board began modestly in 1906 with \$250,000, but by April, 1907, they had recovered from their bashfulness sufficiently to ask for and get \$3,000,000.

Then they took a rest from borrowing until 1910, when they got busy and took \$6,000,000. In 1912 they got \$6,000,000 to pay off some debentures and complete the construction of

terminal facilities and to make ~~the~~ its revenues from shipping dues of one completion completely complete in kind and another, wharfage rentals 1914, they were voted another \$9,000, and elevators 000.

Never was money better spent in and for the Dominion of Canada. As a result we have to-day a port lacking only one thing to make it one of the best equipped ocean ports in the world—that is, a Free Port.

(From the "South Shore Press,"
Friday, July 14, 1916.)

One of the first question which naturally suggests suggests itself in connection with the proposed Free Port, is whether, under the existing conditions, the Dominion Government is justified in undertaking any great new capital expenditure. The question is a very proper one to raise and it is always raised more or less intelligently when any great national expenditure is undertaken.

The Free Port need not involve any big investment of public money. I do not mean to say that considerable expenditure would not be necessary. It would; how much is a question for the Government's engineers, but it should not add a dollar to the burden of the Canadian tax-payer and on the other hand, might and almost certainly would, add greatly to the revenues of the Federal Government and the Harbor Board, besides contributing immeasurably to the general prosperity of Canada.

The existing Harbor improvements in Montreal have not been made without a large expenditure, but the interest on the capital involved has all been paid by the Harbor Board out of

The debt due of the Harbor on December 31, 1914, was \$23,554,000, and the average rate of interest was 3.344 per cent. The total amount received on revenue account during the year was \$1,446,364.77, and the total disbursements on revenue account \$1,459,455.08, of which \$785,642.07 was for interest. The disbursements on capital account were \$1,758,368.83, including \$229,808.22, for harbor dredging, \$745,002.04 for wharves, piers and basins, \$115,236.44 for railways, 345,246.56 for permanent sheds, and \$134,431.95 for grain elevators.

Dues.

The only dues which vessels coming to the Port of Montreal have to pay are as follows:-

	Pilotage	Per foot of Draught	Up.	Down
Father Point to Quebec		\$3.87	\$3.40	
Quebec to Montreal		2.50	2.50	
<hr/>				
Total Father Point to				
Montreal		\$6.37	\$6.90	
Port Warden's Fees on outward cargo				
only:-				

General Merchandise, 1c to 2c. per ton. Grain, Ores and Minerals, Free. Hospital Dues:-

On Register Tonnage (3 times per year), 2c per ton Reg.

There are no light dues and no Port dues on vessels.

The charges in connection with the Harbor business are as follows:-

1. Wharfage on all goods landed and shipped in the harbor:-

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Per ton, dredges almost entirely through the

Grain	3 cents	season of 1914, was the construction
Coal, flour, meats, etc.	6 cents	of a channel 20 feet deep at low water
Apples, hay, cattle, steel rails, etc.	12 cents	on the south-east side of St. Helen's Island. The extreme slope of
Sugar, etc.	16 cents	the river from the Victoria Bridge
General merchandise	20 cents	General merchandise down to the lower end of the Guard

2. Grain Elevator charges: Pier causes the St. Mary's Current, Elevating into elevator and weighing which has been long recognized as per bushel..... 3-10th cents one of the features in Montreal requiring amelioration.

Storage days and delivery to vessel, per bushel..... 3-10th cents

3. Railway charges: - The design of the channel behind St. Helen's Island has for a purpose Shunting cars from railway to any a discharge of a portion of the river per wharf, per car..... \$2.50 flow through the channel on a fixed Transfer between railways..... 5.00 slope, giving uniform current. The

4. Shed rentals: work of 1913 and particularly of 1914, has shown considerable effect, estimated to amount to 15 per cent., in

Double story sheds, average per shed per annum	\$7,200.00	ameliorating the St. Mary's Current
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Clearly if the South Shore Free Port brings four hundred more ocean-going ships and twelve or thirteen thousand more inland craft to the

Port of Montreal every year (and I believe this is a moderate estimate), the Island worked under conditions it will increase the revenue of the Harbor Board enormously without increasing the expenditures proportionately. The service these ships would render to Canadian commerce and especially to the export trade of the Dominion, would be incalculable.

It would probably be necessary for Parliament to take some means to bring marine insurance rates within reasonable bounds; but it looks as though it would have to do this with or without a Free Port.

Dredging on the South Shore.

The Commissioners in their report for 1914 say that one of the most important items of dredging which occupied the time of two of their best and before the work closed the

The two dredges working behind which would appear impossible. These dredges, however, worked continuously throughout the summer in rapids where the water was rushing over the bed of the river and falling into the dredged cut. Only plant of extraordinary stability, and dredging officers of great skill could have undertaken this work, which would not have been attempted had not the results to be obtained warranted the effort.

The ground area dredged in 1914 amounted to about 8 1-2 acres, all of which required the excavation of 20 feet of material consisting of cemented clay and sand with many embedded boulders. A length of 1,000 feet was dredged for a width of 335 feet.

dredging was in a fair way to approaching deeper water near the head of St. Helen's Island."

The South Shore Channel.

The former commissioners in their report for 1912, said:

"One of the serious river problems has been the control of the St. Mary's Current, between St. Helen's Island and the City, which has always been a menace to navigation and interferes with the progress of pier construction in the Harbor.

"This condition is produced by many causes, one of which is the damming of the South Shore Channel by Moffatt's Island and its approaches, diverting as it does the natural flow of the river belonging to the South Channel over on to the Montreal side.

"The proposed modification of these obstructions will not only relieve the rapid current referred to, but will improve the southern part of the river and make its use for navigation purposes also possible."

THE PROPOSED FREE PORT.

"The Herald" says: "We imagine that most people who have studied the question of establishing a free port at the head of ocean navigation will agree with the principle of the petition being forwarded by the united municipalities of the South Shore to establish such a port opposite Montreal. The general idea of such a port is to facilitate manufacture for export by allowing the free import of all materials for manufacture, and the manufacture of them in bond, as it were, the customary taxes only being im-

posed when the goods leave the works. In Europe this plan has been found to be of immense benefit in building upon export trade.

"The South Shore municipalities have a plan to combine into one municipality and make that municipality a free port. Naturally, however, there is some opposition to this plan. For instance, 'Le Canada' says that if a free port is to be established at the head of ocean navigation the logical thing to do is to make the Island of Montreal a Free Port. Its geographical formation, with boundaries laid out and protected by Nature, is certainly ideal for the purpose, and, as our contemporary says, we already have in Montreal all the industrial establishments ready for the purpose, and would not have to build up entirely new ones, as would be the case on the South Shore. Also, we have miles upon miles of wharves and railways ready to serve the purpose of a free port.

"The idea of the people on the South Shore is, of course, that the interests of a free port would be best served by building it up from the foundation upon a site that at present is largely unoccupied, and that it would be better for the development of the port if the south side of the river were made available for the berthing of ocean ships. There is a good deal to be said on both sides. It is to be hoped the authorities will give the matter the most careful attention. If a free port is to be established it should be done in time for the manufacturers to take advantage of the trade conditions that will arise immediately after the war. If

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Canada gets a preferential entry into the markets of the Allies that the United States will not have, there is bound to be the establishment of many important new industries and a great enlargement of existing ones.

MR. A. G. ROSS APPROVES FREE PORT SCHEME.

Henry Dalby, Esq.

Editor, "South Shore Press,"
31 Latour Street, Montreal.

Dear Sir:—

Permit me to compliment you on the debut of the "South Shore Press," which is full of information which should be appreciated in Montreal as well as by the resident of the South Shore.

Your article on "Montreal's Free Port," in your issue of Friday, June 16, is one that should be widely circulated, with your permission, in other newspapers.

I enclose the amount of my subscription, and would be glad to have your paper sent to me at the City Hall regularly.

With best wishes for the success and progress of your paper, believe me to remain,

Yours very truly,

A. G. ROSS.

WHERE SHOULD THE FREE PORT

■■■

Our esteemed contemporary, "Le Canada," says that : "If a Free Port is to be established at the head of ocean navigation, the logical thing to do is to make the Island of Montreal a free port." That is the first idea that occurs to everybody, and the only objection to it is that it is impossible.

You cannot have a port which shall be under protection and under free trade at the same time. Even Hamburg has its protected area and its free area, but they are absolutely separated from each other. Montreal has hundreds of industrial establishments which have been built under protection, all of whose affiliations and connections are under the protective system and all of which would be driven from Montreal if it were made into a Free Port. When I first advocated this scheme, many years ago, I was so convinced that the manufacturers and merchants of Montreal would never consent to be put outside of the protected area of Canada that I suggested the dredging of the Back River and using that district as a site for a Free Port. Talking with one of the Harbor officials, he said: "The idea is first class, Mr. Dalby, but there is only one place for it, and that is the South Shore."

From a Montreal business point, the South Shore is incomparably the best situation available for a Free Port. The Customs revenues could be as easily and as thoroughly protected there as on the Island of Montreal and there is no place where light-erage to Montreal and the canals would be so cheap.

The very first essential in a Free Port is to cut it off completely from the protected area. The merchants and manufacturers of Canada would never consent to be thus isolated from their established business connections. The ideal spot for a Montreal Free Port is a district near Montreal accessible by ocean-going ships and river and canal craft, and which is little developed industrially.

**THE MONTREAL HERALD ON
FREE PORT MOVEMENT**

As might naturally have been expected, the movement to combine the four towns nearest to Montreal on the South side of the St. Lawrence into one big city, and to ask the Dominion Government to make that city a Free Port, has aroused considerable interest on both sides of the river. "La Presse" takes the ground that there is no necessity to argue for long on the desirability of a Free Port for Canada, the only question to be decided is where it is to be located. It is very doubtful whether a single man can be found on the South Shore who is not in favor of locating the Free Port there, but in considering the preferences of the men of the four towns due allowance must, of course, be made for local interests and prejudices. That the realization of the project as proposed would be the making of the South Shore goes without saying. But it is to be expected that Parliament will take a wider view of the question and endeavor, at least, to divest itself of local prejudices in dealing with a subject which is of nothing less than national importance.

Even looked at from this point of view, the claim that the South Shore is indicated by nature and by existing conditions as Canada's ideal site for a Free Port is undeniably strong. That Montreal's interests are entitled to eminent consideration is beyond question, but that does not mean, by any means, that the Free Port should be located in Montreal even in the interests of Montreal. The chief objection to Montreal or its immediate neighborhood for a Free Port is that

it is impossible. Mr. Dalby, who is the originator of the scheme for the South Shore, also proposed it many years ago for the service primarily of Montreal, but he was so convinced of the impossibility of locating a Free Port in Montreal that he proposed the dredging of the Back River to accommodate the Free Port business. The trouble with Montreal as a site is that it already has thousands of manufacturing and commercial interests which would be completely upset by being interned within the walls of a Free Port—in a protectionist country. Since the idea was first mooted for the Island of Montreal there have been radical changes in the conditions on the South Shore. The Victoria Bridge is now a double track bridge, without counting the electric railway track. St. Lambert is now an important railway junction, and can be made still more important by the building of a short connecting link with the Canadian Pacific bridge at Lachine. The harbor has had considerable dredging; and the dredging of the channel, on the so-called south side of St. Helen Island, has made great progress. There are scarcely

The location of the Free Port, however, is not to be regarded as a ques-

THE PORT OF MONTREAL

tion between Montreal and the South Shore. It is a question between the Harbor of Montreal and all the rest of Canada. Here also nature indicates Montreal Harbor as the ideal location for a Free Port. So long as water rushes down the Lachine Rapids, Montreal must be at the head of ocean navigation, and it is not likely that the ocean ships will ever stop short of the head of navigation, because every ton of freight landed

short of that point and intended to go West will cost immensely more for transportation by land. The question will certainly come up for discussion at the next session of Parliament, and it is not too soon to study the subject in all its bearings. It is becoming rare to meet a man who does not pretend to know all about a Free Port, and it may take months to convince some of these gentlemen that all they know about the matter is radically wrong.

How to Get the Free Port

A ROYAL COMMISSION NEEDED TO INVESTIGATE THE SUBJECT.—QUESTION MUST BE REGARDED FROM NATIONAL POINT OF VIEW.—HOW THE FREE PORT WOULD AFFECT THE WESTERN FARMERS.—MARKETING THE WHEAT.—THE LOAD FACTOR IN THE SHIPPING PROBLEM.

If we are to have a South Shore Free Port it will have to be brought about by a combination of public and private effort, as the old Montreal "Harbor" has been. Private ownership of great ocean ports is not to be thought of today. They are the gateways of the countries to which they appertain, and when their shores fall into private ownership sooner or later, at any cost, they have to be redeemed for public use and control.

In Europe public ownership is the rule, London being the most notable exception and that only partially.

The first step necessary would seem to be to appoint a Royal Commission to investigate and report to the Governor-General in Council upon the feasibility of the project. The task for the Commission is not so Herculean as it looks at first sight. Regarding the general principal of free ports, there is little to be learned that cannot be learned without much expenditure of time, labor or money. We have the experience of many free ports to go upon, and some of them within the British Empire.

Gibraltar has an area of only two square miles and a population of only 19,120, but it is a free port and does a considerable shipping trade. In 1914, 4,247 vessels entered the port,

with a total tonnage of 6,323,658. People who have the notion that a free port is a port that is free from shipping dues (nobody on the South Shore believes that to-day), will be interested in knowing that Gibraltar's chief source of income is from shipping dues. Its imports in 1914 were \$4,130,000 and its exports \$120,000; but neither agriculturally nor industrially is it possible for Gibraltar to be productive. Its principal business is the coaling of steamers.

Hong Kong is another British free port. It is an island ten miles long by 2 to 8 1-2 miles broad, a total area of 32 square miles. The whole colony consisting of islands with an area of 390 square miles, has a population of 501,304, of whom 480,544 are Chinese.

In 1914 the shipping entering the port had a tonnage of 18,378,476 tons. The colony does a big trade in sugar, opium, flour, oil, amber, cotton, ivory, betel, sandalwood, rice, tea, woollens, silks, and salt. It has a trade imports and exports of \$250,000,000 a year.

The British Free Port of Singapore is one of the greatest ports in the world. There were 11,943 ships cleared at this port in 1914 and the total for the whole colony was 19,536 ships with a tonnage of 24,859,517. (exclusive of native craft).

The native craft entered and cleared at the four ports of the Straits Settlements, Singapore, Penang, Malacca and Labuan, numbered 45,739 with a tonnage of 1,951,044. The aggregate trade returns of Singapore for 1914 amounted to \$526,212,065, including an export of tin valued at \$40,904,846. and should be looked up. And, of course, anything worth doing for the country should be done as quickly as possible in order that Secretary Redfield's hard work may not finally fail to "register."

Aden and St. Helena are also called free ports although a few duties are levied which are really octroi (or town dues) rather than customs duties.

THE FREE PORT MOVEMENT IN THE UNITED STATES

The "New York Sun" has a valuable hint for Canada. In discussing Congressman Murray Hulbert's resolution in favor of Free Ports in the United States, it says: "Secretary Redfield probably feels that Congress should not let the grass grow under its feet if any actual beginning is to be made of this matter before November. This subject is important.

and should be looked up. And, of course, anything worth doing for the country should be done as quickly as possible in order that Secretary Redfield's hard work may not finally fail to "register."

In the race for the first Free Port on this continent, the South Shore got away first, but it is still more important to reach the winning-post first. Not that the establishment of half-a-dozen free ports in the United States could prevent the success of the South Shore Free Port because we have the advantage of "the long haul" by water. Geography and canalization already accomplished are in our favor; but there would be an enormous advertising from being the first in the field. This could be secured by the Federal Government publicly committing itself to the principle. Canada's example would arouse great interest in Europe and would serve to emphasize our suggestion that Great Britain itself should adopt the Free Port system in the day of economic readjustment.

Grain Trade and Marine Insurance

In 1913, the Commissioners said:

"While the foregoing statements show an increase of 74 per cent over the quantity of grain handling during 1912, sight must not be lost of the fact that of the 192,260,000 bushels of grain received by lake at Buffalo during the year, a little more than 67,000,000 bushels, nearly 35 per cent, came from Fort William and Port Arthur in addition to which large amounts came in bond through Duluth and Superior, most of which should have been transported via the Canadian route and the Port of Montreal.

"A more striking illustration of the great leak in the main artery of Canadian grain transportation is secured by comparing the routing of shipments of grain from Fort William and Port Arthur for 1903 with those of 1913, the beginning and ending of a ten year period, when approximately 28,897,000 bushels of grain were shipped from Fort William and Port Arthur and 25,588,000 bushels were shipped from Montreal. Thus in 1903 the grain shipments from Montreal practically equalled the Great Lake grain shipments from Fort William and Port Arthur, whereas, in 1913, they were practically only equal to about one-quarter of such shipment.

"A study of grain transportation reveals the fact that the aforesaid condition, is due, in a great measure, to insufficient ocean tonnage from the

Port of Montreal. Present Marine insurance rates make it practically

impossible for tramp shipowners to accept Canadian business, the extra premiums required being more than the rate of freight from Canadian ports will permit, unless the steamship can make a number of consecutive voyages between the 1st of May and the 1st of October.

"Notwithstanding this handicap, it is encouraging to note that about 55 tramp vessels with full cargoes of grain sailed from the Port during the season, which has aided considerably in establishing the present record.

"It is, however, felt that if Montreal is to maintain her supremacy as a great grain shipping port, no endeavor must be spared in view of the large expenditure made by the Dominion Government in the widening and deepening in the channel and the provision of aids to Navigation to bring about a considerable betterment in insurance rates for St. Lawrence business, which should permit of tramp tonnage trading to St. Lawrence Ports on an equal basis with the ports on the American seaboard, where cheap ocean freight and insurance rates exist.

"In view, however, of the great attempt being made by the Ports on the American Atlantic Seaboard to capture a share of our grain trade, as is demonstrated by the following paragraph in one of their last annual reports:

"Our principal hope for export tonnage to remedy the deficiency which

now exists, lies in Canadian Grain. Not only in winter, but also in summer, Montreal is going to require more and more to be relieved of the burden of Canadian exports."

"The Commissioners feel that, until a substantial reduction in insurance rates is effected, serious and earnest consideration should be given by the Government to the advisability of granting a subsidy to tramp vessel owners, equivalent to the difference in Marine insurance rates to American ports and the St. Lawrence River ports, which would, without doubt, make Montreal what she is destined to become, the greatest grain-shipping port in the world."

Insufficient ocean tonnage is the explanation of the great leak in the grain transportation business which properly belongs to Montreal and nothing would do more to increase Montreal's ocean tonnage than a Free Port, especially if combined with reasonable marine insurance rates.

The Commissioners in their report for 1910 said:

Insurance Rates

"Although the most serious handicap placed upon Canadian business through the Port of Montreal is the excessive insurance rates levied upon hulls and cargoes, particularly during the opening and closing months of the season.

"In view of the expenditure upon aids to navigation in the St. Lawrence and the deepening and widening of the channel, we may reasonably hope for a considerable betterment in insurance rates for St. Lawrence business. Not the least among the elements that will bring this about is the

establishment of adequate dry dock accommodation in the river, so as to protect the invested capital in ships now doing business in the St. Lawrence trade and the ships of larger and greater tonnage that are contemplated.

"The Commissioners, in co-operating with other interests, are endeavoring to bring this about and satisfactory results are hoped for in the near future.

"From a competitive point of view this is the greatest handicap existing at present and should be remedied with the least possible delay."

A Free Port and reasonable insurance would bring to Montreal all the ships needed for grain exportation.

Marketing the Wheat

The Commission would have very little to do in connection with the general principle of free ports; the excellent reports of the Harbor Commissioners past and present throw a good deal of light on this subject and all the other information necessary is probably to be found in print in Ottawa, London or Washington. The applicability of this general principle to Canada is another question altogether. It has to be investigated from a commercial, financial and engineering point of view. The financial end of the problem of course depends largely upon its engineering aspect and that is a point that will have to be left to the experts.

The commercial part of the problem is, however, matter for considerable investigation and study. It must be dealt with not simply as affecting the interests of the South Shore or of

Montreal, but as affecting the business interests of all Canada. to the higher cost of transportation in winter.

Let us consider the question first of all as it affects the interests of the farmers and especially the grain growers of the West. Much useful information upon this subject is contained in the report of the Georgian Bay Canal Commission. As the report says: "Presumably wheat will not be grown and therefore will not be shipped, unless the price is reasonably satisfactory to the producers. What has been the relationship between Canadian wheat quantities and prices and what tendencies, if any, have developed in connection with Canadian methods of marketing? The primary markets of the world are those most directly in touch with and therefore of most immediate importance to the world's producers and it is by the selling pressure in primary markets exerted against the buying pressure from ultimate consumers that the course of prices is chiefly determined, although this course may be modified by many intermediate agencies.

The report points out that Western Canada sometimes puts upon the market in one month much more hard wheat than the United Kingdom, the only important consumer of its surplus, will purchase of all kinds of wheat and flour from all the world. With the exception of one year the price which during five years ending 1913 met the Canadian peak of supply was the lowest of the year. No other country has marketed so large a proportion of its crops when prices are low as has Canada. This system of marketing not only involves lower prices for wheat but higher cost for transportation, through railway rolling stock not being used for a great part of the year to anything like its capacity.

The Routing of the Wheat.

Two-thirds of the Canadian export wheat in the year 1913 was shipped through United States ports. Diversification to American ports may have been caused says the report by the physical inability of Canadian routes to handle more traffic with the superior speed or certainty of other routes; relative freight rates; financial or other private business considerations, or personal preferences on the part of the shippers; or conditions of ocean transportation.

Canada's great primary market for wheat is the terminal elevators at Fort William and Port Arthur. It is there Canadian wheat is offered to exporters and to the Eastern Canadian trade. Prices quoted on the Winnipeg Grain Exchange are prices "in store Fort William—Port Arthur."

Western Canada's method of marketing the greater part of its surplus immediately after the harvest, reserving something for a second thrust about the following May. The holding over of the wheat is partly attributed

In September, October, and November, vessels arriving at Montreal are offered more cheese, apples and higher class goods than in the earlier months, and these goods carry higher freights than wheat

**The Tramp Steamers and and
the Load Factor.**

There is a vague impression that the tramp steamers have a great influence upon freight rates. The tramps carried no Canadian wheat from Montreal in 1911, a little in May and June, 1912, and an appreciable quantity in 1913, the average for the three years being only 5.66 per cent. of the whole shipments. The tramps only go in for the wheat trade when freights are high. Their competition does not reduce freights. The immediate competitors of the Montreal liners are the liners at United States ports.

The report argues convincingly that the economic basis of freight rates must depend largely upon the load factor obtaining for the carriers. If a vessel has a full load each way on every trip it will operate at the maximum of efficiency and at the lowest cost per unit of cargo. "Why it is asked, are there not more liners in the Canadian trade?" Here is the answer. "Canada's total exports to Europe of all classes of goods in 1913 increased with irregular monthly fluctuations to a great peak in the Autumn months while the imports from Europe were pretty regularly distributed throughout the year. Canada exported to Europe in January, February, March and April goods to the value of \$43,146,701; in May, June, July and August goods to the value of \$69,838,920; and in September, October, November and December, goods to the value of \$124,894,678. So much for the eastbound cargoes. When we come to the westbound traffic, what a falling off is there! In the first

four months our imports amounted to \$46,646,995; in the second four months \$51,840,477, and in the last four months to \$42,835,837. There was unloaded at Montreal in that season from all European countries 738,001 tons of freight and there was loaded in Montreal for Europe in liners and tramps 1,647,145 tons of cargo, a ratio of 2.23 eastbound to 1 westbound. "Canada," says the report, "has never yet been able to secure at Canadian ports enough vessels to carry all the Canadian exports."

A Free Port at the head of St. Lawrence ocean navigation would find west bound cargoes for many liners without interfering in any way with Canada's National Policy and more liners by reducing the cost of freight would tend to raise the price of wheat.

The chronic shortage of vessels to which every report of the Harbor Commissioners bears witness was greatly accentuated in 1915 by the war. The Harbor Commissioners in their report for that year say: "The season of 1915 has been one which will live in the memory of those associated with shipping, as totally different from any of its predecessors. While in 1914 the effect of the war was hardly felt, sufficient steamships being available for the world's work, in 1915 the cry at every North American port was one for ships, because of the lack of which in the latter part of the summer, the great railroad systems of the United States were reluctantly compelled to declare embargoes on certain classes of commodities at New York, Philadelphia, and other

ports. In all 815 sea-going vessels has been, any monopoly in the Canadian Carrying Trade. That trade does not find employment for five per cent of the total British steam tonnage afloat, and the Canadian ports are open in their foreign trade to the ships of all nations. The policy of the Dominion of welcoming emigrants, but of controlling and limiting imports, has of necessity placed restrictions on the types of vessels that can be employed with advantage in the Canadian trade. The tramp vessel is as much dependent on its outward as on its homeward freight, and such a vessel cannot make up for the loss of an outward cargo freight by carrying immigrants. The restrictions such as there are on the employment of shipping in the Canadian trade result from the Canadian policy and not from the action of the ship-owners."

"While strenuous efforts were put forth by the Shipping Companies to fulfil the major part of the demands made upon them by utilizing every inch to capacity and chartering outside tonnage wherever possible, the shortage of tonnage was more keenly felt at Montreal than at any other sea port, especially as regards the handling of the phenomenal grain crop of Canada, most of which should have passed through Montreal had adequate tonnage been available."

Montreal never has enough ships to accommodate its east-bound traffic owing to the general insufficiency of west-bound cargoes.

Sir Norman concluded: "In my opinion freights like the prices for all other commodities, should be fixed in the give and take of the markets of the world, and the only way to obtain minimum freights is by making the ports as free as convenient and as inexpensive as possible. The nation wishing to obtain the best terms in the freight market must be as ready to import as it is anxious to export."

THE CAUSE OF THE SHIP SHORTAGE.

Sir Norman Hill, secretary of Liverpool Steamship Owners' Association (who has held that position over 20 years), giving evidence before the Dominions Royal Commission in 1914, spoke of the chief cause of the shortage in ships for Canada's export trade. He said: "There is not and never ada to-day regards Free Trade as

It is wildly improbable that Canada will abandon the policy of protection for home industries, which, of course, is intended to control and limit imports. The general reason for this need not be discussed here, because it is an old story and has been talked to death. Suffice it to say on that point that no political party in Can-

practical politics; nor will there be one in Great Britain much longer. There is a special reason for increasing rather than lowering the tariff just now, and that is the necessity for raising an enormous revenue, without resorting to sufficient direct taxation to discourage immigration and possibly to start an exodus.

Still there is no denying the force of Sir Norman Hill's argument that to prevent the shortage of shipping for Canada's exports and to obtain freights upon a reasonable basis, both eastward and westward, we must make the transportation business profitable. It simply will not pay under normal conditions to run ships without outward bound cargoes. Any argument based upon abnormal wartime freight rates is fallacious. Referring to the conditions prevailing in 1907, Sir Norman said that at that time shipping was at the bottom of one of the longest and severest depressions through which it has ever passed. Freights generally did not cover working expenses even without taking depreciation into account. The financial position of the British ship-owner generally, was causing the gravest anxiety; dividends were being passed by shipping companies of the highest standing, and in many in-

stances accumulations of loss were being written off by the reduction of share capitals. It was almost impossible to find new capital for shipbuilding, and the shares of shipping companies could only be realized at heavy loss.

Even war-time freights will not provide enough shipping for Canada's exports, if the high rates are due to the scarcity of ships. The problem we have to solve is how to get enough ships here to carry our exports at reasonable rates. It seems to me there are only two ways. One is pulling down the walls of protection—and that way spells national disaster. The other is to encourage the transportation business by establishing a Free Port. This would not necessarily interfere with the policy of controlling and restricting imports. It would create a great transhipment business in Montreal, for the service not only of Western Canada, but of the Western States and the Orient. The steamships would get cargoes westward as well as eastward and freights would be reasonable.

The Free Port of Hamburg has certainly not injuriously affected the highly protected industries of Germany. It is not so free as usual just now, and that is why the industries are languishing.

Mr. Geo. G. Foster, K.C., on the Free Port Question

THE RIGHT TIME TO START THE MOVEMENT IS NOW.—NOTHING EXPERIMENTAL ABOUT THE IDEA.—IT WOULD BRING EUROPE COMMERCIALLY THREE THOUSAND MILES NEARER TO CANADA.

Montreal, June 12th, 1916. some of the numerous problems that have arisen and see how we can prevent the Germans from carrying economic war into Canada, as into the

To the Editor,
"The South Shore Press."

Sir: —

I heartily congratulate you upon your idea of a Free Port District in the Harbor of Montreal. There are great possibilities, not only for Montreal, but for the whole of Canada, in the project. Its practical effect would be to bring Great Britain and the Continent of Europe commercially three thousand miles nearer to Canada. In other words, to graft a part of Europe on to North America. There is nothing experimental about the idea. Free Ports are as old as protection. Each, in fact, is essential to the other. If Free Ports have not increased greatly in number in Europe in recent years, it has been due to the existence of that great free trade area in Great Britain; all the ports of which are free, except to a very limited class of imports. The growth of Hamburg and of German commerce and shipping since 1888, when the Free Port of Hamburg was opened is a convincing convincing object lesson.

This is the right time to start such a movement; because when the war is over we shall be faced with a brand new set of economic conditions, and we may as well grapple now with

other parts of the Empire and make of the Dominion a slaughter market for goods "Made in Germany"; until they have killed off all the new industries which the war has brought into existence.

the other ports of the Empire and with our faithful allies), in developing a commerce between us that will make us absolutely independent of Germany.

How can we increase the commerce and industry of Canada and with this end in view increase the shipping facilities of Canada.

This last is of paramount importance to our farmers. Grain is shipped to the Port of Montreal and put into elevators where it often has to wait for long periods for ships. The trouble in the past has been the want of return, westward bound cargoes. It does not pay to send ships across the ocean with freight and bring them back again in ballast. A Free Port in the Harbor of Montreal would bring hundreds of ships with freights for distribution all over the continent of North America. The

same ships would be available for use

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on both sides of the Harbor, both the free area and the protected.

I am a staunch Protectionist, but with the example of Great Britain before us, I am bound to recognize that both Free Trade and Protection have their advantages. A Free Port on the South Shore would give the advantages of both. The South Shore is the only place available in the interests of Montreal. The exigencies of the Customs, demand that the Free Port be kept quite separate from the Protected area, so as to facilitate the collection of duties when the goods are shipped into protected Canada. Obviously it must be accessible to ocean-going ships.

One great advantage of a Free Port would be the obviating of delays in getting imports. Instead of having to go to Europe to buy goods and then wait six months for their delivery and then pay duty and store them if the market happens to have been demoralized during the delay; the buyer would simply come to the port of Montreal, buy his goods on sight, have them shipped at his own convenience and pay duties on delivery.

I wish you the utmost success in your campaign.

Yours truly,

GEORGE G. FOSTER.

La Presse Favors the South Shore Free Port

THE FOUR TOWNS WOULD BECOME A BIG CITY, AS LARGE IN PROPORTION AS BROOKLYN IS TO NEW YORK.

"La rive Sud, entre Longueuil et Saint-Lambert, agite depuis quelque temps l'idée de devoir port franc. Ces ports ont l'avantage de recevoir sans droits de douane toutes les marchandises importées de l'étranger, de les transformer, de convertir, en entrepôt, la matière première en produits manufacturés. Si elles sont expédiées à d'autres parties du Canada, elles l'acquittent le fisc qu'au port d'arrivée. Si elles sont dirigées sur l'étranger, elles ne paient rien du tout.

"On comprend l'énorme avantage que possède un port franc pour la manufacture, quisqu'un établissement est dispensé de débourser les droits de douane, qui peuvent se monter à cent mille dollars à la fois, tant que ses produits ne sont pas vendue, et de ne pas les payer du tout s'ils sont placés en dehors du pays.

Aujourd'hui, le gouvernement est obligé de tenir des officiers spéciaux dans chaque manufacture qui a la permission de fabriquer en entrepôt. En groupant plusieurs de ces maisons dans les limites d'un port libre, les frais de contrôle seraient considérablement diminués.

"Il faut, naturellement, inclure le territoire destiné à ces fins et qui pourra contenir autant de milles que les développements le requerront. L'espace entre Longueuil, Saint-Lambert, Laprairie et Saint-Hubert est

"Il n'y a pas de ports francs en Amérique, mais il y en a beaucoup en Europe. C'est cette qualité qui a fait une si grande ville de Hambourg, manufacturés. Si elles sont expédiées en Allemagne.

"M. Henry Dalby vient de publier des articles fort remarquables et fort intéressants sur ce sujet dans le 'South Shore Press' de Saint-Lambert."

(Translation.)

Under the caption, "The Project of a Free Port from Longueuil to St. Lambert," "La Presse" says:

"The South Shore, between Longueuil and St. Lambert, has started the idea of becoming a free port. These ports have the advantage of receiving without customs duties all goods imported from abroad, to transform them, to change, in bond, the raw materials into the finished products. If they are reshipped to other parts of Canada duty is paid on delivery. If they are directed abroad, there is nothing to be paid.

"The enormous advantage which a free port has for manufacturers can be understood inasmuch as a firm is not called upon to pay duty charges which sometimes may be as high as

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a hundred thousand dollars at one time, until its products are sold, and not to pay them at all if they are sold outside the country.

"To-day the Government is obliged to keep special officers in each warehouse where goods are manufactured in bond, clustering all these firms within the limits of a free port, the expenses of controlling would be considerably diminished.

Naturally it must include a territory suitable for the purpose and which would have sufficient area to

meet the exigencies of further developments. The area between Longueuil, Laprairie, St. Lambert and St. Hubert is considerable. It could become the seat of a city, as large in proportion as Brooklyn is to New York.

"There are no Free Ports in America but there are many in Europe. This is what has made Hamburg in Germany such a large city.

"Mr. Henry Dalby has published very remarkable and interesting articles on this subject in the 'South Shore Press' of St. Lambert."
